



January 22, 2016

SENATE BILL No. 334

DIGEST OF SB 334 (Updated January 20, 2016 5:05 pm - DI 116)

Citations Affected: IC 20-51.

Synopsis: Choice scholarships. Provides that the department of education (department) shall accept applications for choice scholarship students from September 2 through January 15 for the spring semester of the current school year. Provides that the department shall make random visits to at least five percent of eligible schools and charter schools during a particular school year. (Current law provides that the department shall make random visits to at least five percent of eligible schools.) Removes a provision that provides that if the eligible choice scholarship student leaves the eligible school for which the eligible choice scholarship student was awarded a choice scholarship and enrolls in another eligible school, the eligible choice scholarship student is responsible for the payment of any tuition required for the remainder of that school year. Provides that, for the distribution to be valid, the eligible choice scholarship student (or the parent of the eligible choice scholarship student) and the eligible school providing educational services to the eligible choice scholarship student must annually sign a form, prescribed by the state board to endorse distributions for the particular school year.

Effective: July 1, 2016.

Yoder, Kruse

January 7, 2016, read first time and referred to Committee on Education & Career Development.

January 21, 2016, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.

SB 334—LS 6648/DI 116



January 22, 2016

Second Regular Session 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

SENATE BILL No. 334

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 20-51-4-3, AS AMENDED BY P.L.6-2012,
2 SECTION 144, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) An eligible school may not
4 discriminate on the basis of race, color, or national origin.
5 (b) An eligible school shall abide by the school's written admission
6 policy fairly and without discrimination with regard to students who:
7 (1) apply for; or
8 (2) are awarded;
9 scholarships under this chapter.
10 (c) If the number of applicants for enrollment in an eligible school
11 under a choice scholarship exceeds the number of choice scholarships
12 available to the eligible school, the eligible school must draw at
13 random in a public meeting the applications of applicants who are
14 entitled to a choice scholarship from among the applicants who meet
15 the requirements for admission to the eligible school.
16 (d) The department shall make random visits to at least five percent
17 (5%) of eligible schools and charter schools **during a particular**

SB 334—LS 6648/DI 116



school year to verify that the eligible school or charter school complies with the provisions of this chapter and the Constitutions of the state of Indiana and the United States.

(e) Each eligible school, public school, and charter school shall grant the department reasonable access to its premises, including access to the school's grounds, buildings, and property.

(f) Each year the principal of each eligible school shall certify under penalties of perjury to the department that the eligible school is complying with the requirements of this chapter. The department shall develop a process for eligible schools to follow to make certifications.

SECTION 2. IC 20-51-4-4, AS AMENDED BY P.L.213-2015, SECTION 233, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. **(a)** The amount an eligible choice scholarship student is entitled to receive under this chapter for a school year is equal to the following:

(1) The least of the following:

(A) The sum of the tuition, transfer tuition, and fees required for enrollment or attendance of the eligible choice scholarship student at the eligible school selected by the eligible choice scholarship student for a school year that the eligible choice scholarship student (or the parent of the eligible choice scholarship student) would otherwise be obligated to pay to the eligible school.

(B) An amount equal to:

(i) ninety percent (90%) of the state tuition support amount determined under section 5 of this chapter if the eligible choice scholarship student is a member of a household with an annual income of not more than the amount required for the eligible choice scholarship student to qualify for the federal free or reduced price lunch program; and

(ii) fifty percent (50%) of the state tuition support amount determined under section 5 of this chapter if the eligible choice scholarship student is a member of a household with an annual income of, in the case of an individual not described in section 2.5 of this chapter, not more than one hundred fifty percent (150%) of the amount required for the eligible choice scholarship student to qualify for the federal free or reduced price lunch program or, in the case of an individual described in section 2.5 of this chapter, not more than two hundred percent (200%) of the amount required for the eligible choice scholarship student to qualify for the federal free or reduced price lunch program.



(2) In addition, if the eligible choice scholarship student has been identified as eligible for special education services under IC 20-35 and the eligible school provides the necessary special education or related services to the eligible choice scholarship student, any amount that a school corporation would receive under IC 20-43-7 for the eligible choice scholarship student if the eligible choice scholarship student attended the school corporation.

(b) The amount an eligible choice scholarship student is entitled to receive under this chapter if the eligible student applies for the choice scholarship under section 7(e)(2) of this chapter shall be reduced on a prorated basis in the manner prescribed in section 6 of this chapter.

SECTION 3. IC 20-51-4-4.5, AS AMENDED BY P.L.26-2014, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4.5. (a) If an eligible choice scholarship student:

(1) who attends school at a choice scholarship school; and

(2) who is eligible to receive special education funds under IC 20-43-7;

chooses to receive special education services at a school corporation required to provide special education services to the eligible choice scholarship student under 511 IAC 7-34-1, the special education funds under IC 20-43-7 for that student will be made available to the school corporation where the student receives special education services.

(b) Notwithstanding 511 IAC 7-34-1(d)(4), a public school is not required to make available special education and related services to an eligible choice scholarship student if the eligible choice scholarship student receives funds under section ~~4(2)~~ **4(a)(2)** of this chapter and the special education services are provided to the eligible choice scholarship student by the eligible school. This subsection may not be construed as a restriction or limitation on any of the rights, benefits, and protections granted to an individual under the federal Individuals with Disabilities Education Improvement Act of 2004 (20 U.S.C. 1400 et seq.).

(c) A school corporation may not include an eligible choice scholarship student who receives an amount under section ~~4(2)~~ **4(a)(2)** of this chapter in the school corporation's count under IC 20-43-7.

SECTION 4. IC 20-51-4-4.6, AS ADDED BY P.L.211-2013, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4.6. (a) The state board shall adopt rules under IC 4-22-2, including emergency rules adopted in the manner provided under IC 4-22-2-37.1, for the provision of special education or related



services to an eligible choice scholarship student who receives an amount under section ~~4(2)~~ **4(a)(2)** of this chapter. The rules adopted under this section shall include annual reporting requirements, monitoring, and consequences for noncompliance by an eligible school.

(b) An emergency rule adopted by the state board under this section expires on the earliest of the following dates:

(1) The expiration date stated in the emergency rule.

(2) The date the emergency rule is amended or repealed by a later rule adopted under IC 4-22-2-22.5 through IC 4-22-2-36 or under IC 4-22-2-37.1.

(3) One (1) year after the date the emergency rule is adopted.

SECTION 5. IC 20-51-4-5, AS AMENDED BY P.L.211-2013, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. The state tuition support amount to be used in section ~~4(1)(B)~~ **4(a)(1)(B)** of this chapter for an eligible choice scholarship student is the amount determined under the last STEP of the following formula:

STEP ONE: Determine the school corporation in which the eligible choice scholarship student has legal settlement.

STEP TWO: Determine the amount of state tuition support that the school corporation identified under STEP ONE is eligible to receive under IC 20-43 for the state fiscal year in which the current school year begins, excluding amounts provided for special education grants under IC 20-43-7 and career and technical education grants under IC 20-43-8.

STEP THREE: Determine the result of:

(A) the STEP TWO amount; divided by

(B) the current ADM (as defined in IC 20-43-1-10) for the school corporation identified under STEP ONE for the state fiscal year used in STEP TWO.

SECTION 6. IC 20-51-4-6, AS AMENDED BY P.L.211-2013, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 6. ~~(a)~~ If an eligible choice scholarship student enrolls in an eligible school for less than an entire school year, the choice scholarship provided under this chapter for that school year shall be reduced on a prorated basis to reflect the shorter school term.

~~(b) An eligible choice scholarship student is entitled to only one (1) choice scholarship for each school year. If the eligible choice scholarship student leaves the eligible school for which the eligible choice scholarship student was awarded a choice scholarship and enrolls in another eligible school, the eligible choice scholarship student is responsible for the payment of any tuition required for the~~



1 remainder of that school year.

2 SECTION 7. IC 20-51-4-7, AS AMENDED BY P.L.239-2015,
3 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2016]: Sec. 7. (a) The department shall administer this
5 chapter.

6 (b) The department shall approve an application for an eligible
7 school within fifteen (15) days after the date the school requests to
8 participate in the choice scholarship program.

9 (c) The department shall approve an application for a choice
10 scholarship student within fifteen (15) days after the date the student
11 requests to participate in the choice scholarship program.

12 (d) Each year, at a minimum, the department shall accept
13 applications from March 1 through September 1 for

14 ~~(1) choice scholarship students; or~~

15 ~~(2) eligible schools~~

16 for the upcoming school year.

17 **(e) Each year, at a minimum, the department shall accept**
18 **applications for choice scholarship students from:**

19 **(1) March 1 through September 1 for the upcoming school**
20 **year; and**

21 **(2) September 2 through January 15 for the spring semester**
22 **of the current school year.**

23 ~~(e)~~ **(f)** This chapter may not be construed in a manner that would
24 impose additional requirements for approving an application for an
25 eligible school placed in a "null" or "no letter grade" category
26 established under IC 20-31-8-3(b).

27 ~~(f)~~ **(g)** The department shall adopt rules under IC 4-22-2 to
28 implement this chapter.

29 ~~(g)~~ **(h)** The department may adopt emergency rules under
30 IC 4-22-2-37.1 to implement this chapter.

31 SECTION 8. IC 20-51-4-10, AS AMENDED BY P.L.211-2013,
32 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JULY 1, 2016]: Sec. 10. The department shall distribute choice
34 scholarships at least once each semester, or at equivalent intervals. The
35 department may distribute the choice scholarship to the eligible choice
36 scholarship student (or the parent of the eligible choice scholarship
37 student) for the purpose of paying the educational costs described in
38 section ~~4(1)(A)~~ **4(a)(1)(A)** of this chapter. For the distribution to be
39 valid, ~~the distribution must be endorsed by both~~ the eligible choice
40 scholarship student (or the parent of the eligible choice scholarship
41 student) and the eligible school providing educational services to the
42 eligible choice scholarship student **must annually sign a form,**



1 **prescribed by the department to endorse distributions for the**
2 **particular school year.**



COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 334, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 5, line 27, reset in roman "department".

Page 5, line 27, delete "state board".

Page 5, line 29, reset in roman "department".

Page 5, line 29, delete "state board".

Page 6, line 1, delete "state board" and insert "**department**".

Page 6, delete lines 3 through 8.

and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 334 as introduced.)

KRUSE, Chairperson

Committee Vote: Yeas 9, Nays 1.

